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AGRICULTURAL SITUATION REVIEW.

Mon., Dec. 5, or as soon  
after as possible.

(NOT FOR PUBLICATION)

ANNOUNCEMENT: A late season, but a productive one. That's how the little blue book, the U. S. Department of Agriculture's review of the agricultural situation for November, summarizes the 1927 crop year. The high lights of the November review are brought out in this short talk, prepared by the Department of Agriculture for release by Station \_\_\_\_\_.

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A late season, but a productive one!

Thus the little blue book gotten out by the Bureau of Agricultural Economics of the Department of Agriculture on December 1st, summarizes the agricultural situation now that most of the 1927 crops are harvested.

In spite of the floods and various local setbacks, the mild fall weather brought the general yield of crops up above the 10-year average, the little blue book continues. Although the mild autumn made up for the late spring, crop production during 1927 is slightly below last year.

Preliminary estimates of November, 1927, indicate that the favorable fall weather has brought corn up to an average crop and potatoes to more than an average. The cotton crop was also somewhat better than was expected, due to a smaller loss than usual. The corn crop is estimated as three-quarters of merchantable quality. This is slightly above last year's figure, but about 5 per cent below the average. Corn is of excellent quality in the western Corn Belt, but not so good in the East.

The total supply of corn is only some 30 million bushels greater than last year, the Department's agricultural situation review indicates. The barley and grain sorghum crops are also larger this season, but the oat crop is smaller. A slightly larger supply of corn and a record hay crop have made the total supply of feedstuffs appear to be larger than last year. This is naturally good news to stockmen, but the growers who depend on selling corn or hay as cash crops are not feeling so good over their prices.

Reports from the Corn Belt and the Far West indicate that fewer cattle will be fed out this season than last. Stockyard inspections showed a late summer movement of stocker and feeder cattle into the Corn Belt about one-fifth smaller than last year and the smallest in 10 years.

There are fewer lambs going into Corn Belt feedlots also. The inspections recorded some 300 thousand fewer head than were fed in Corn Belt feed lots in 1926. Colorado and western Nebraska, however, will probably feed twice as many lambs



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this year. This reverses the 1926 situation and puts the regional lamb feeding operations back into a more usual distribution. The market men naturally look for smaller supplies of lambs than last year to come in during December and January, but more lambs from February to May.

Farmers may not be surprised to learn that the general course of prices of farm products has been slightly downward recently. This is due particularly to declines in corn, wheat, potatoes, and cotton. But now agricultural commodities have also declined somewhat.

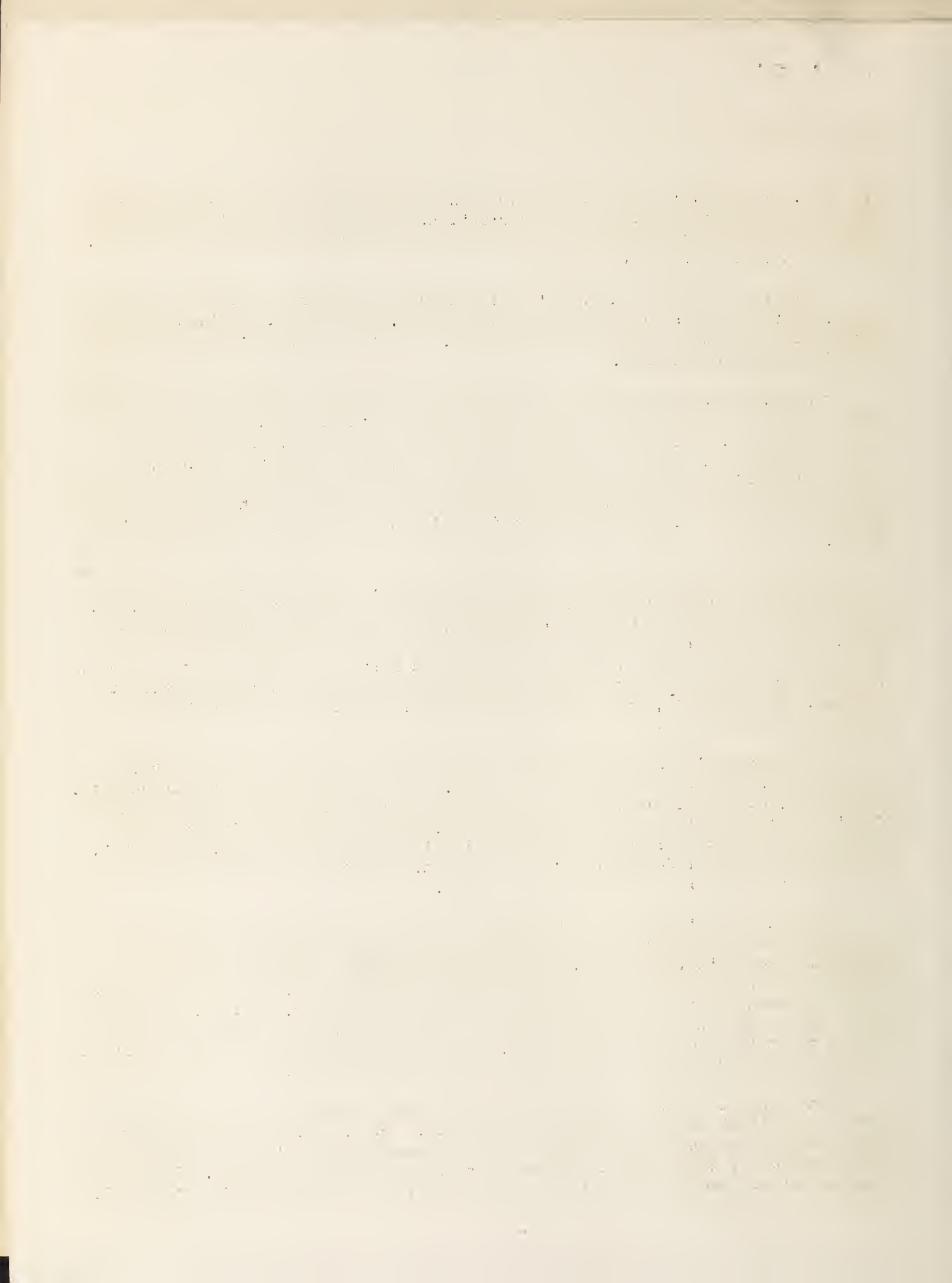
The farm key regions show a rather spotted picture. Weather has been generally favorable for fall work in the East, except in the local areas which have been hit by floods and storms. Wheat is showing good stands. Pastures held out to a fairly late date. Potatoes have been moving to market in volume, but show considerable rot in some sections. Potato growers probably will not make as much money this year as last, due to the lower potato prices. The dairy situation continues favorable with a good market for milk and an outlook for moderate feed prices.

Drought hit the eastern section of the South, making it hard to get the soil into proper shape and hindering the germination and growth of winter crops. The middle Southern States were more favored, but the drought touched parts of Texas. Cotton picking was nearly finished by the last of November and most of the corn had been husked. Farmers have finished harvesting cane, sweet potatoes, peanuts, and sorghums. Winter grains and truck crops vary widely, according to rainfall. On the whole, the general condition of agriculture in the South is improved over last year.

Corn husking's well along in the Corn Belt, but cribbing has been held up by the high moisture content of the grain. The corn varies greatly in quality. In Nebraska, much of it is very fine and the same condition holds good in Kansas. There's a lot of soft corn in the eastern belt, however, which won't even make good feed. Hog prices are substantially below 1926 in the Corn Belt. This fact, along with the rather depressing corn situation, leaves the eastern part of the Corn Belt in a poorer position than last year.

The Wheat Belt picture is variable. Winter wheat shows good stands in eastern Kansas and Nebraska, but the crop has needed rain badly in the western sections. The weather has been too dry also in parts of Oklahoma and Texas. A considerable area of wheat is going into winter with stands fair to poor. Farmers are busy winding up the corn and supplementary crop harvests. Winter weather halted field work in the northern areas of the Wheat Belt some time ago. General conditions in the Wheat Belt are the best in 5 or 6 years in the northern sections ---but not greatly different from 1926 in the southern parts.

The Range Country is going into winter with an abundance of feed and with stock in excellent condition, for the most part. The dry areas where feed is short, such as in southern New Mexico, are the exception. Cattle industry shows every evidence of improvement. Stockmen are restocking their ranges. Cows are bringing better prices and the feeders have realized good incomes from this fall's



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shipments of both feeder and slaughter stock. Sheepmen also are optimistic. The western feeding areas are running twice as many lambs as last year. Colorado, for example, is feeding 700 thousand head more than in 1926. The whole picture of conditions in the Mountain States is a bright one.

Late harvest along the Pacific Coast has been further delayed by heavy rains which came last month as far south as the Sacramento Valley. Some sowing of winter wheat has been held up in the north for the same reason. The heavy rains have done some damage to beets and potatoes still in the ground in the north, and to rice and beans in the south. The rains, however, helped the pastures and the winter grain where it had a good start. Weather is favorable in southern California. The navel oranges are coloring and winter crops are doing well. The abundance of certain California crops has presented some marketing problems this fall.

High lights in the egg and poultry market situation are as follows, according to the Department's review: Egg receipts during November showed some tendency to increase. The market is still firm, but the time is coming when increased egg production will cause it to weaken. There are some signs of nervousness on the part of dealers at the present high prices. At the first signs of any general increase in receipts, the market will drop sharply. This is expected soon in some sections, but cold weather may delay it. Markets for dressed fowls weakened early in November and prices declined. The approaching holidays have stimulated speculative demand, however, and with increasing buying, the market will become firmer again.

Butter production has been running considerably above last year in some sections, although on the whole the change in this industry has been but a slight increase over 1926. Estimated butter production for October shows an increase of 1.5 per cent over last year. Some States, particularly Minnesota, Iowa, and Illinois, showed greater increases, but rather large reductions occurred in the Kansas-Nebraska-Missouri territory. Cheese prices are still a cent above those of a year ago. Nothing of unusual interest has developed in canned or fluid milk markets. Stocks of condensed and evaporated milk are still high, but the average reduction occurred last month. Fluid milk prices for November show practically no change.

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ANNOUNCEMENT: This concludes the AGRICULTURAL SITUATION REVIEW for December 1st. Another REVIEW will be released early in January, 1928.

